



U. S. Army Acquisition Senior Leaders' Conference

August 11, 2004

*Right Item, Right Time, Right Place, Right Price,
Every Time...*

Best Value Solutions For America's Warfighter



Agenda

- **DLA Top Five Priorities**
- **DLA Enterprise**
- **Supply support to Army**
- **Business Strategy and Initiatives**
- **Strategic Supplier Alliances (SSA)**
- **Summary**



Army/DLA Priorities

Army AL&T Strategic Realignment

- Goal 1: Develop and Institutionalize a process that provides a single, integrated view of life-cycle management
- Goal 2: Develop flexible AL&T processes to field supportable capabilities quicker
- Goal 3: Shape an acquisition workforce that is poised to succeed to meet the needs of the Army
- Goal 4: Build and cultivate strategic partnerships and outreach to provide better products to the soldier

DLA Top Five Priorities

- **Support to the Warfighter**
- Agency transformation
 - Business Systems Modernization
- Corporate Climate
- “New Normal”
- Distribution Process Owner Partnerships



The DLA Enterprise

FY 02 Sales/Services:

\$21.5B

FY 03 Sales/Services:

\$25B

FY 04 Projection:

\$28.9B

- **Energy:** \$ 5.2B
- **Distribution:** \$ 2.2B
- **Other:** \$ 1.4B

Foreign Military Sales

- **Sales:** \$719M
- **Shipments:** 580K
- **Supporting** 124 Nations

Scope of Business

- **45,000 Requisitions/Day**
- **8,200 Contracts/Day**
- **#54 Fortune 500 - Above Northrop Grumman**
- **#2 in Top 50 Distribution Warehouses**
- **23 Distribution Depots**
- **5.2 Million Items**
- **24.7M Annual Receipts and Issues**
- **1411 Weapon Systems Supported**
- **147.7M Barrels Fuel Sold (FY 03)**
- **\$12.5B Annual Reutilizations/Disposals**

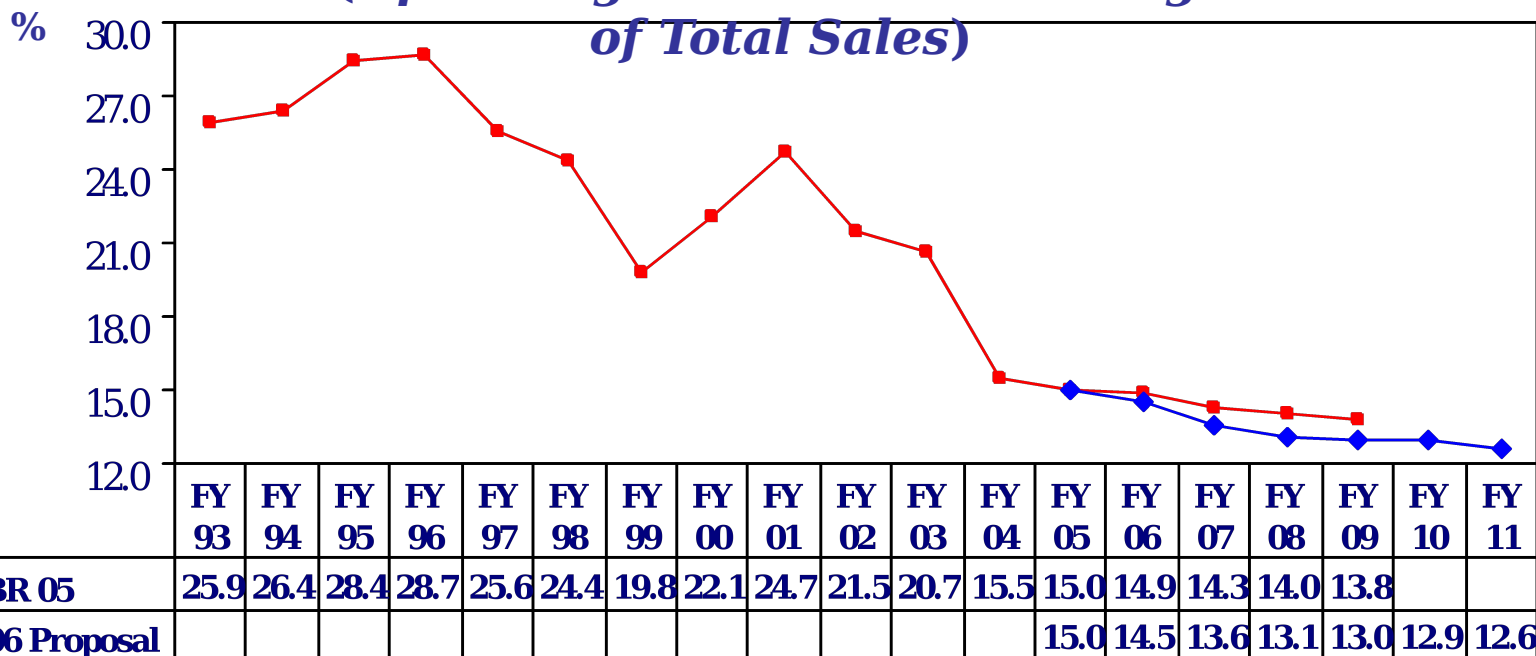
People

- **21,468 Civilians**
- **525 Active Duty Military**
- **637 Reserve Military**
- **Located in 48 States/28 Countries**



DWCF Cost Recovery Rate Over Time

*(Operating Costs as a Percentage
of Total Sales)*

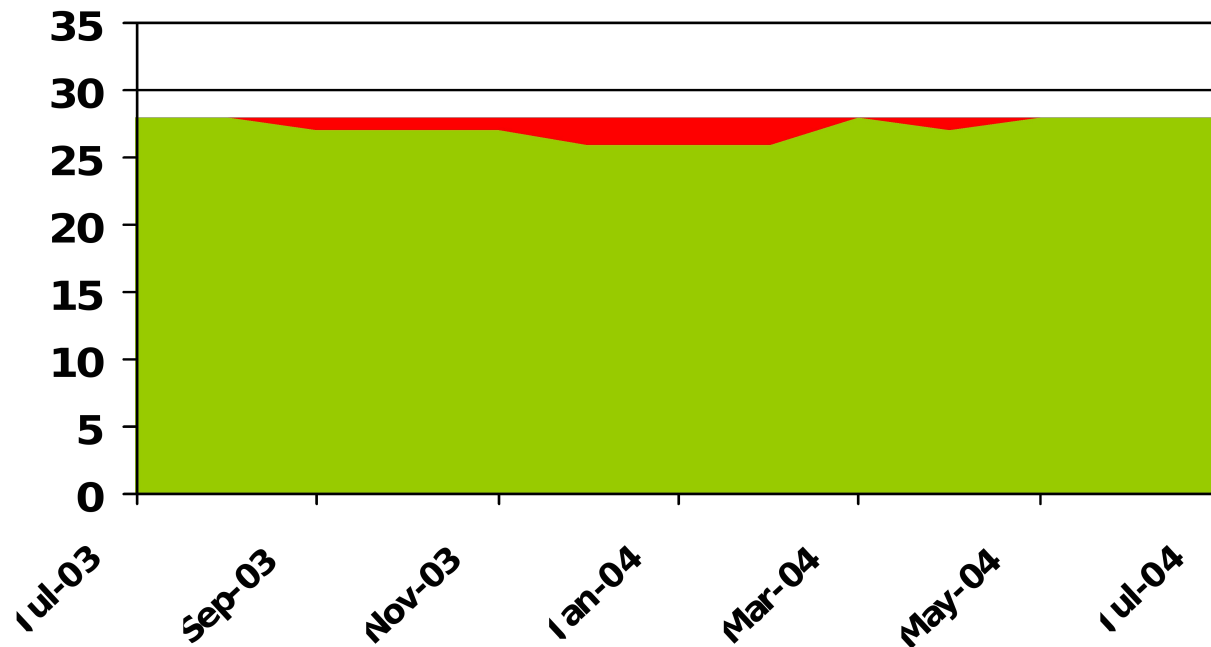
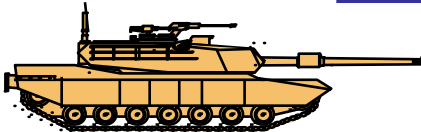


Savings Returned to
Warfighter

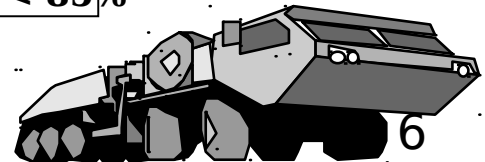
**Lowest Cost
Recovery Rate
in DLA History**



Performance of Army Level-A Weapon Systems



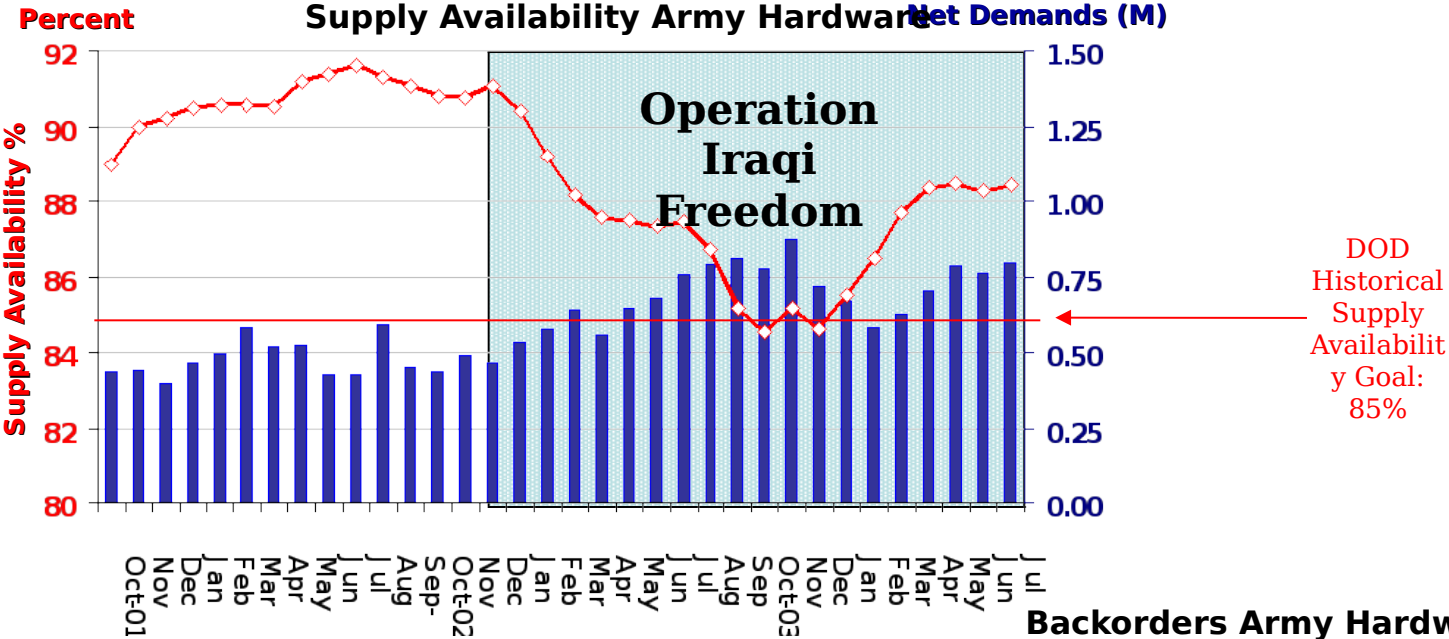
■ Level-A Sys $\geq 85\%$ ■ Level-A Sys $< 85\%$



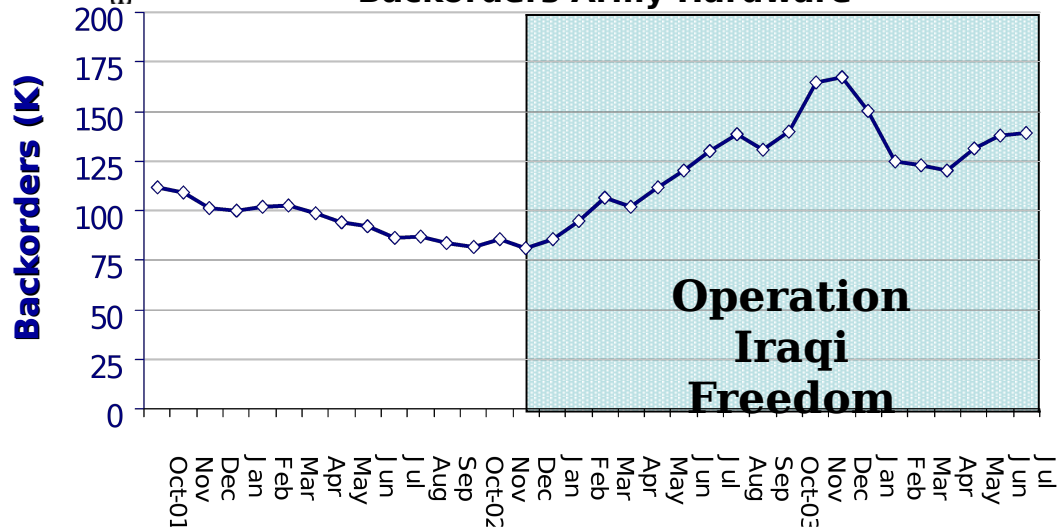


Army Weapons System Performance

Supply Availability Army Hardware Net Demands (M)

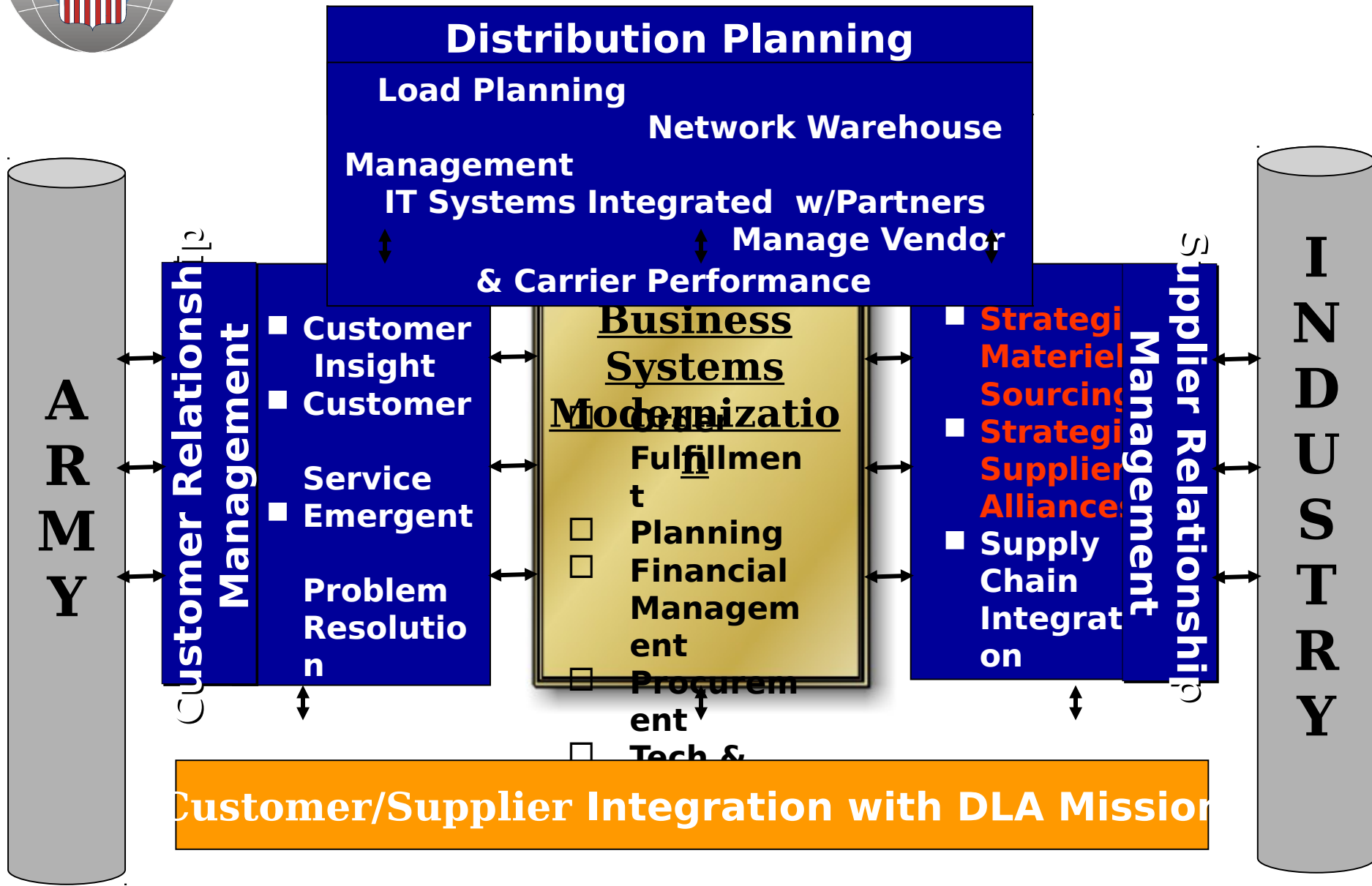


Backorders Army Hardware



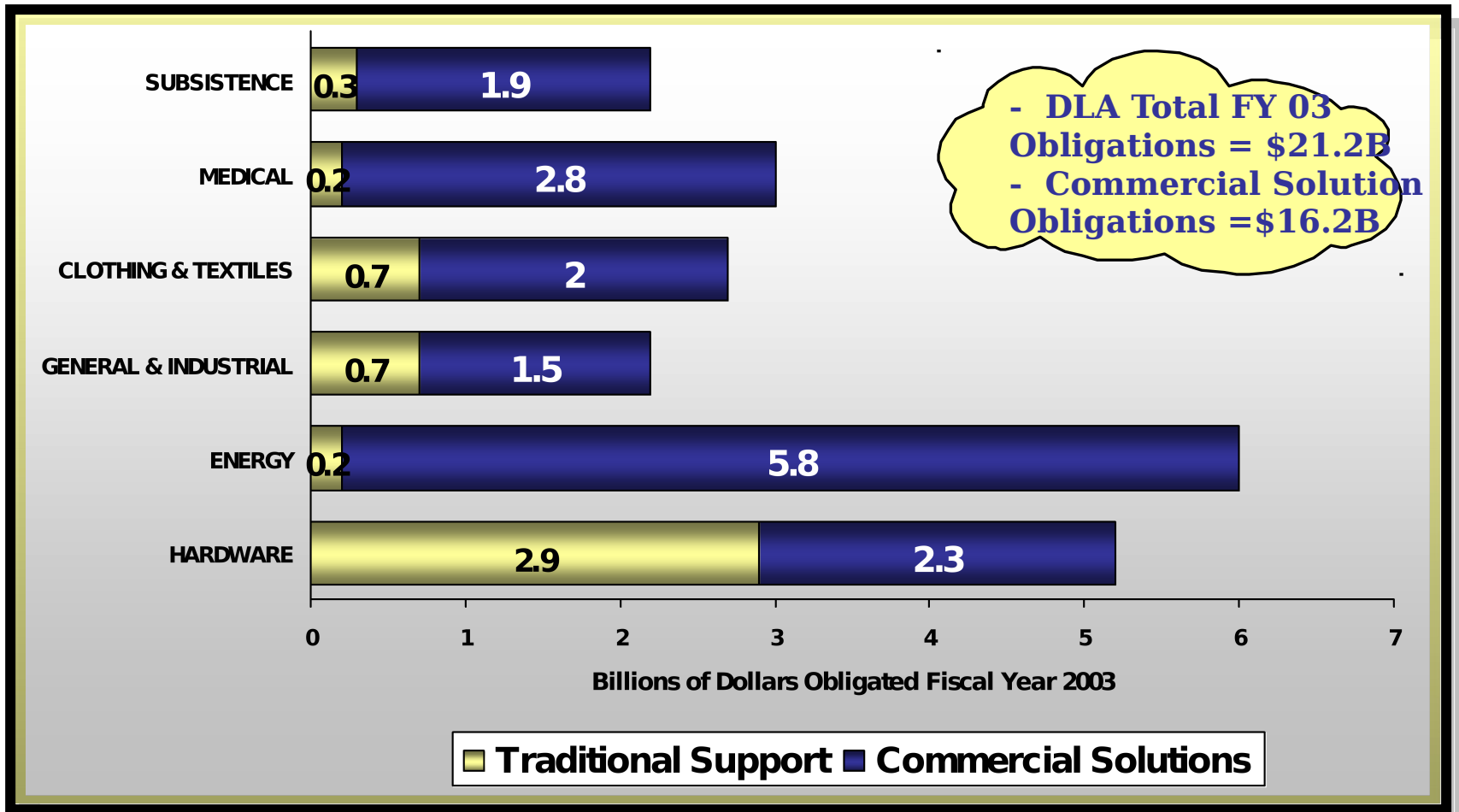


DLA Transformation





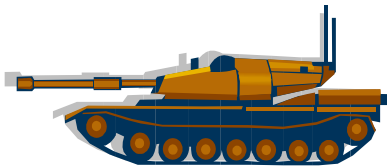
DLA Acquisition Strategy Commercial Solutions



Long Term Performance Based



DLA Strategic Supplier Alliance



FY02	FY03	FY04	FY05
<i>Boeing</i>	<i>Avilbank</i>	<i>Eaton</i>	Unison Industries
<i>Pratt & Whitney</i>	<i>Canadian Commercial Corporation</i>	<i>Osh Kosh</i>	Warren Pump
<i>General Electric</i>	<i>Hamilton Sundstrand</i>	<i>AM General</i>	Night Vision
<i>Parker Hannifin</i>	<i>SPS Technology</i>	<i>Goodrich</i>	
<i>Northrop Grumman</i>	<i>Sikorsky</i>	<i>Rolls Royce</i>	
<i>Dresser Rand</i>	<i>Textron</i>	<i>Aircraft Braking Systems</i>	
<i>BAE Systems</i>		<i>Moog, Inc.</i>	
<i>Honeywell</i>		United Defense LP	
<i>Lockheed Martin</i>		GDLS	
		Alcoa Fastening System	
		Raytheon	

Color code denotes
Service partners

<i>Navy Alliance</i>
<i>Air Force Alliance</i>
<i>Army Alliance</i>
<i>No Service Partner</i>

☐ **Bold italics formatting indicates awarded**

SSA Benefits

- Price Control
- ALT Reductions
- PLT Reductions
- Inventory Savings



SSA Benefits

SSA	Post-SSA ALT Improvement (days)	Post-SSA PLT Improvement (days)	Post-SSA Price Reduction
Boeing	-85.0	-163.9	-5.1%
GE	-68.6	-32.7	-5.1%
Hamilton Sundstrand	-44.6	-27.6	-11.1%
Lockheed	-113.8	-61.9	-1.2%
Pratt & Whitney	-82.5	-27.1	-4.2%
Sikorsky	-84.5	-215.8	-5.3%
OshKosh	-4.5	-3.2	-5.6%
AM General	-10.0	5.2	-7.8%

**POM Forecasted Inventory Savings FY04-09 -
\$234M**



Summary

- **DLA is transforming the way we do business**
- **Adopting Commercial Business Solutions**
- **We are focused on supporting the war fighters!**

